GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:3380
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Digital Transaction
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Will the Minister of PLANNING be pleased to state:

(a) the salient features of the recommendations of the Committee of Chief Ministers on digital payment;

(b) the reaction of the Government on each of the recommendations;

(c) whether the Aadhaar enabled payment system is a low hanging fruit for moving towards digital economy and the Government proposes inter-operability of UPI of different banks and if so, the details thereof;

(d) whether the NITI Aayog plans to rank States on the basis of digital transaction and has asked the States to submit their digital transaction data and if so, the details thereof and the response of the States thereto;

(e) whether the NITI Aayog has also suggested to incentivize digital payments by promising a fixed incentive for individual and also for district collectors/district magistrates/deputy commissioners and if so, the details thereof along with the reaction of the Government thereto; and
(f) whether the NITI Aayog has received any complaints for the problems of transacting in digital mode and if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR MINISTRY OF PLANNING AND
MINISTER OF STATE FOR MINISTRY OF URBAN DEVELOPMENT AND
MINISTRY OF HOUSING & URBAN POVERTY ALLEVIATION

(RAO INDERJIT SINGH)

(a) to (f): Promoting digital payment options is an integral part of Government's strategy to weed out black money and corruption from public life by enabling Government − Citizen Transactions on the digital platform. Pursuant to the Government Initiative to promote digital payments, a Committee of Chief Ministers on digital payments was constituted in NITI Aayog on 30th November 2016 which submitted its interim report to Hon'ble Prime Minister on 24th January 2017. The Committee made recommendations on (i) Setting up of target and monitoring mechanism; (ii) Expanding technical infrastructure for digital payments; (iii) Increasing supply of acceptance infrastructure; (iv) Necessary institutional, policy, regulatory changes to ease adoption of digital payment; (v) Necessary institutional, policy, regulatory changes to ease adoption of digital payment; (vi) Incentivize digital transactions; (vii) Strengthening security in digital payments and (viii) Targeting specific segments for quick results. The details can be seen on:
http://niti.gov.in/writereaddata/files/new_initiatives/book.pdf.

As part of promoting cashless transactions and converting India into less-cash society, various modes of digital payments are available such as banking cards, Aadhar Enabled Payment System (AEPS), Unstructured Supplementary Service Data (USSD), Unified Payment Interface (UPI) and mobile wallets. AEPS is expected to cater to the population who do not have access to internet or smart phones. The launch of the BHIM (Bharat Interface for Money) app for smartphones which is based on the new UPI has created inter-operability of digital transactions. The launch of BHIM USSD 2.0 allows the 350 million feature phone users to take advantage of the UPI. NITI Aayog is also working on indexation to rank the States/UTs on the basis of digital transactions.

In order to attract general public and facilitate significant behavioural change among public towards digital transactions two major schemes - Lucky Grahak Yojana for consumers and Digi-Dhan Vyapar Yojana for merchants have been launched. Under the schemes, cash awards are given to consumers and merchants who utilize digital payment instruments for personal consumption expenditures. 1,197,290 consumers and 70,000 merchants have won prizes for digital payments made through AEPS, USSD, UPI and RuPay cards as on 20th March 2017.

To incentivize the States/UTs for promotion of digital transactions, it was decided that Central assistance of Rs. 50 crore would be provided to the districts for undertaking Information, Education and Communication (IEC) activities to bring 5 crore Jan Dhan accounts to digital platform. The fund allocation is based on proportion of Jan Dhan accounts of all States/UTs. Under the scheme an incentive @ Rs. 10/- is provided for every individual who has transited to digital payment mode and undertaken at least two successful transactions by any of the five digital payments modes viz: UPI, Rupay / Debit / Credit / Prepaid Cards, AEPS, USSD and E-Wallets. NITI Aayog has so far released an amount of Rs 15.06 crore to 533 Districts as first installment.